



**DEFENSE LOGISTICS AGENCY  
DEFENSE CONTRACT MANAGEMENT COMMAND  
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IN REPLY

REFER TO A Q O D

SEP 8 1996

**MEMORANDUM FOR COMMANDERS, DEFENSE CONTRACT MANAGEMENT  
DISTRICTS**

**SUBJECT: DCMC Memorandum No. 96-46, Undefined Contractual Actions  
(UCAS) (POLICY)**

This is a POLICY memorandum. It expires when its content is included in DLAD 5000.4, Contract Management, or after one year. Target Audience: All DCMC personnel involved with definitizing UCAS.

One of the topics discussed at the August 29, 1996, Monthly Management Review was DCMC'S performance in definitizing UCAS. The Headquarters staff presented an analysis showing that over 48 percent of DCMC'S overage UCAS (i.e., those more than 180 days old) are under \$25,000, i.e., are under what was the small purchase threshold before the Federal Acquisition Streamlining Act of 1994. Additionally, 84 percent of our overage UCAS are under \$500,000, the threshold for certified cost and pricing data. However, both categories account for very little of the \$1 billion in overage UCAS on hand: the under-\$25,000 UCAS account for only one percent of the overage dollars, and the under-\$500,000 UCAS account for only ten percent.

The purpose of definitizing UCAS is to minimize the Government's cost risk. Accordingly, we should place our highest priority on definitizing the larger dollar value actions. This does not mean, though, that we should neglect the smaller dollar value UCAS. Neglecting them would allow them to accumulate to overwhelming numbers. We should instead negotiate them in "bundles," or groups of actions. These bundles should be made sufficiently large in dollar value to let contractors see that rapidly resolving them could improve cash flow. "Bundling" would also assist in minimizing the Government's cost risk by definitizing relatively large numbers of dollars much more quickly than by negotiating each small UCA individually.

To help keep our focus on the dollars at risk, we will be changing our UCA metrics from number of UCAS and overaged UCAS onhand to UCA dollars and overaged UCA dollars on hand as soon as the first increment of the new Automated Metrics System has been put into operation. We expect that to occur by the end of



calendar year 1996. If there are any questions, please contact Mr. David Ricci, Contractor Capability and Proposal Analysis Team (AQOD), (703) 767-3376 or DSN 427-3376, or Mr. Mike Williams, Chief, AQOD, (703) 767-3397 or DSN 427-3397.

A handwritten signature in black ink, appearing to read "Robert W. Drewes", with a long horizontal flourish extending to the right.

ROBERT W. DREWES  
Major General, USAF  
Commander